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October 14, 2005

CERTIFICATE OF SERVICE

RE: Case No. 2005-00392
Johnson County Gas Company, Inc.

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on October 14, 2005.

Executive Director

BOD/jc
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF JOHNSON)	CASE NO. 2005-00392
COUNTY GAS COMPANY, INC.)	

ORDER

On September 1, 1999, in Case No. 1999-00155, the Commission approved rates for Johnson County Gas Company, Inc. (“Johnson County”) and provided for their further adjustment in accordance with Johnson County’s gas cost adjustment (“GCA”) clause.’

On September 26, 2005, Johnson County filed its proposed GCA to be effective October 13, 2005. Johnson County requests a waiver of the 30-day notice period in order to implement rates as close to October 13, 2005 as possible. As KRS 278.180 permits the Commission to shorten the required notice period for good cause, the Commission finds the request should be granted.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Johnson County’s notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Johnson County proposes an expected gas cost (“EGC”) of \$13.7263, which is \$4.4579 per Mcf more than the previously approved EGC of \$9.2684.

¹ Case No. 1999-00155, Application of Johnson County Gas Company, Inc. for a Rate Adjustment Pursuant to the Alternative Rate Filing Procedure for Small Utilities, Order dated September 1, 1999.

3. Johnson County's notice sets out no refund adjustment.
4. Johnson County's notice sets out a current quarter actual adjustment ("AA") of (.62) cent per Mcf. Johnson County's notice sets out a total AA of (11.95) cents per Mcf, which is 6.45 cents per Mcf less than the previous total AA.
5. Johnson County's notice sets a current quarter balancing adjustment ("BA") of 4.06 cents per Mcf. Johnson County's notice sets a total BA of (1.87) cent per Mcf. Johnson County incorrectly totaled its total BA, correcting for this produces a total BA of (3.32) cents per Mcf which is 12.23 cents per Mcf less than the previous total BA.
6. Johnson County's gas cost recovery rate is \$13.5736 per Mcf, which is \$4.2711 per Mcf more than the previous rate of \$9.3025.
7. Johnson County's adjustment in rates is fair, just, and reasonable, and should be approved for billing for service rendered by Johnson County on and after October 16, 2005. Johnson County did not provide sufficient notice for rates to be effective October 13, 2005.

IT IS THEREFORE ORDERED that:

1. Johnson County's request to shorten the period in which it must provide notice of the proposed adjustment from 30 days to 20 days is granted.
2. Johnson County's proposed rates are denied.
3. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after October 16, 2005.
4. Within 20 days of the date of this Order, Johnson County shall file with the Commission its revised tariffs setting out the rates approved herein.

Done at Frankfort, Kentucky, this 14th day of October, 2005.

By the Commission

ATTEST:


Executive Director

Case No. 2005-00392

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2005-00392 DATED OCTOBER 14, 2005

The following rates and charges are prescribed for the customers in the area served by Johnson County Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

Residential

<u>Monthly</u>	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total Rate</u>
Minimum Bill 0-1 Mcf	\$6.9542	\$13.5736	\$20.5278
All additional Mcf	\$5.9542	\$13.5736	\$19.5278

Commercial

All Mcf	\$6.3042	\$13.5736	\$19.8778
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